

Message Text

LIMITED OFFICIAL USE

PAGE 01 IAEA V 07084 300526Z

14

ACTION SCI-06

INFO OCT-01 ARA-16 IO-13 ADP-00 EUR-25 ACDA-19 CIAE-00

INR-10 L-03 NSAE-00 NSC-10 RSC-01 SCEM-02 RSR-01 /107 W

----- 092477

R 281451Z AUG 73

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC 3295

INFO AEC GERMANTOWN

AMEMBASSY MEXICO

LIMITED OFFICIAL USE IAEA VIENNA 7084

E. O. 11652: N/A

TAGS: IAEA, TECH, ESTC, MX

SUBJECT: NUCLEAR FUEL REQUIREMENTS FOR LAGUNA VERDE REACTOR

REF:(A) MEXICO 6273; (B) STATE 147331#

1. MISSION HAS LEARNED OF MAIN SUBSTANCE (SET FORTH BELOW) CONTAINED IN LETTERS TO AGENCY FROM OTHER POTENTIAL SUPPLIERS OF URANIUM ENRICHING SERVICES (FRANCE, U.K. AND USSR) TO MEET MEXICAN FUEL REQUIREMENTS. LETTERS ARE IN RESPONSE TO AGENCY QUERY SENT OUT ROUTINELY SEVERAL MONTHS AGO, FOLLOWING RECEIPT FORMAL MEXICAN REQUEST (WHICH DID NOT RPT NOT SPECIFY SUPPLIER) FOR OBTAINING ITS FUEL THROUGH IAEA.

2. FYI. WHEN QUERIED BY MISOFF AS TO WHY U.S. DID NOT RPT NOT RECEIVE SIMILAR AGENCY LETTER, AGENCY OFFICIAL WAS TAKEN ABACK, BUT SUBSEQUENTLY ACKNOWLEDGED THAT, WHILE THERE HAD BEEN GREAT DEAL OF DISCUSSION OVER PAST YEAR OR SO RE U.S. WILLINGNESS TO SUPPLY FUEL FOR LAGUNA VERDE REACTOR, AGENCY IN FACT HAD NOTHING FORMAL FROM U.S. INDICATING WHETHER AND UNDER WHAT TERMS AND CONDITIONS U.S. COULD SUPPLY ENRICHING SERVICES TO MEET MEXICAN REQUEST. AGENCY OFFICIAL CONCERNED BELIEVES THIS WAS SIMPLY AN OVERSIGHT. SINCE AGENCY IS IN PROCESS OF INFORMING GOM OF RESPONSES RECEIVED FROM OTHER SUPPLIERS, MISOFF SUGGESTED THIS OVERSIGHT SHOULD BE CORRECTED, IN ORDER

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 IAEA V 07084 300526Z

THAT GOM NOT RPT NOT BE MISLED BY CONSPICUOUS ABSENCE OF

U.S. AS ONE OF POTENTIAL SUPPLIERS. AGENCY WILL, THEREFORE, BE SENDING US FORMAL REQUEST SHORTLY, AND IS MENTIONING IN LETTER TO GOM RE INTEREST OF OTHER SUPPLIERS, THE RATHER EXTENSIVE DISCUSSIONS HELD OVER PAST SEVERAL MONTHS WITH U.S. AUTHORITIES CONCERNING U.S. WILLINGNESS ALSO TO MEET MEXICO'S FUEL REQUIREMENTS, AND THAT THIS IS EXPECTED TO BE OFFICIALLY CONFIRMED IN NEAR FUTURE. END FYI.

3. FRENCH HAVE OFFERED, IN PRINCIPLE, PROVIDE 187.000 SEPARATIVE WORK UNITS FOR FIRST CORE, WITH DELIVERY SCHEDULED JUNE-SEPTEMBER 1976, PLUS ADDITIONAL AMOUNTS REQUIRED OVER LIFETIME OF REACTOR. TECHNICAL TERMS AND CONDITIONS "STANDARD." FINANCIAL TERMS AND CONDITIONS TO BE NEGOTIATED, WITH PRICE AT "WORLD MARKET" LEVEL. FRENCH ALSO ASKED FOR CONSIDERABLE MORE INFO, WHICH AGENCY PASSING ON TO GOM.

4. U.K. NOT RPT NOT IN POSITION PROVIDE FIRST CORE, BUT IS PREPARED DISCUSS COMMERCIAL CONDITIONS FOR RE-LOADS FROM 1978 ONWARD, NOTING THAT, SINE THEY MUST ALLOW FOUR-YEAR LEADTIME, DISCUSSIONS RE APPROPRIATE CONTRACTUAL ARRANGEMENTS COULD BEGIN NEXT YEAR.

5. SOVIETS NOTED AVAILABILITY OF ENRICHING SERVICES TO MEET MEXICAN REQUIREMENTS FROM SECOND-HALF 1976, AND THAT DETAILS SHOULD BE NEGOTIATED DIRECTLY BETWEEN MEXICANS AND SOVIET MINISTRY OF FOREIGN TRADE. SOVIETS SPECIFIED THAT IAEA SAFEGUARDS WOULD BE REQUIRED WHEN MATERIAL DELIVERED. (NO RPT NO MENTION OF PRICE.)

6. RE GOM REQUEST FOR PROJECT AGREEMENT TO ENABLE GE EXPORT OF REACTOR AND COMPONENTS THEREFOR (REF B), AGENCY REPORTEDLY DISCUSSED SITUATION WITH MEXICAN AMBASSADOR, NOTING, INTER ALIA, THAT ACTION BY FEBRUARY BOARD WOULD APPEAR TO PROVIDE MEXICANS WITH SUFFICIENT TIME FOR MAKING ALL NECESSARY ARRANGEMENT FOR OBTAINING DELIVERIES ON SCHEDULE, AND ACCORDINGLY, THAT THERE SEEMED TO BE NO RPT NO NEED TO TRY TO RUSH MATTER IN TIME TO MEET SEPT BOARD. FOLLOWING APPARENT EXCHANGE SUBSEQUENTLY WITH HOME OFFICE, MEXICAN AMBASSADOR MET AGAIN WITH AGENCY STAFF INVOLVED, AND AGAIN SOUGHT TO HAVE MATTER PUSHED FOR SEPT BOARD ACTION, BUT AGENCY, SENSING THAT GOM LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 IAEA V 07084 300526Z

MIGHT NOT RPT NOT HAVE FULLY UNDERSTOOD ITS VIEWS PROVIDED EARLIER, CAREFULLY SPELLED OUT IN DETAIL REASONS WHY SEPT BOARD ACTION DID NOT RPT NOT APPEAR ESSENTIAL. AGENCY WAS ALSO CAREFUL, HOWEVER, TO LEAVE DOOR STILL OPEN IF GOM INSISTS ON ACTION ON PROJECT AGREEMENT AT SEPT BOARD.

7. COMMENT. MISSION BELIEVES AGENCY LETTER TO MEXICANS RE INTEREST OF OTHER SUPPLIERS, PLUS ACTION TO AMEND U.S.-IAEA

BILATERAL (HOPEFULLY AT SEPT BOARD) MAY HELP TO CALM SOME APPARENT JITTERY NERVES AND SERVE TO GIVE MEXICANS SOME REASSURANCE THAT THEIR FUEL NEEDS ARE BEING GIVEN PROPER CONSIDERATION. AGENCY IS FULLY AWARE OF JUNE 30, 1974, DEADLINE UNDER NEW U.S. ENRICHMENT CRITERIA FOR CONCLUDING SUPPLY CONTRACT, AND, IN FACT, WILL BEGIN ITS EFFORTS TO ADAPT STANDARD AEC ENRICHMENT SERVICES CONTRACT TO FORM APPROPRIATE FOR AGENCY USE IMMEDIATELY AFTER GENERAL CONFERENCE. IT SHOULD BE POSSIBLE, THEREFORE, TO REACH AGREEMENT AMONG PARTIES ON MOST, IF NOT ALL, OF DRAFT TEXT BY EARLY NEXT YEAR, WHICH SHOULD ALLOW AMPLE TIME TO MEET JUNE 30 DEADLINE. WE HAVE LITTLE INFO HERE, HOWEVER, ON PLANS AND TIMING OF OTHER STEPS THAT WILL BE REQUIRED, SUCH AS AMENDMENT OF ATOMIC ENERGY ACT, AND WOULD WELCOME ANY DETAILS AVAILABLE ON THIS ASPECT OF MATTER. PORTER

NOTE BY OC/T: #AS RECEIVED.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973IAEAV07084
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: IAEA VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730811/aaaaaiaq.tel
Line Count: 130
Locator: TEXT ON-LINE
Office: ACTION SCI
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) MEXICO 6273; (B) STATE 147331#
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 28 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28-Aug-2001 by elyme>; APPROVED <13-Sep-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NUCLEAR FUEL REQUIREMENTS FOR LAGUNA VERDE REACTOR
TAGS: TECH, ESTC, MX, IAEA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005